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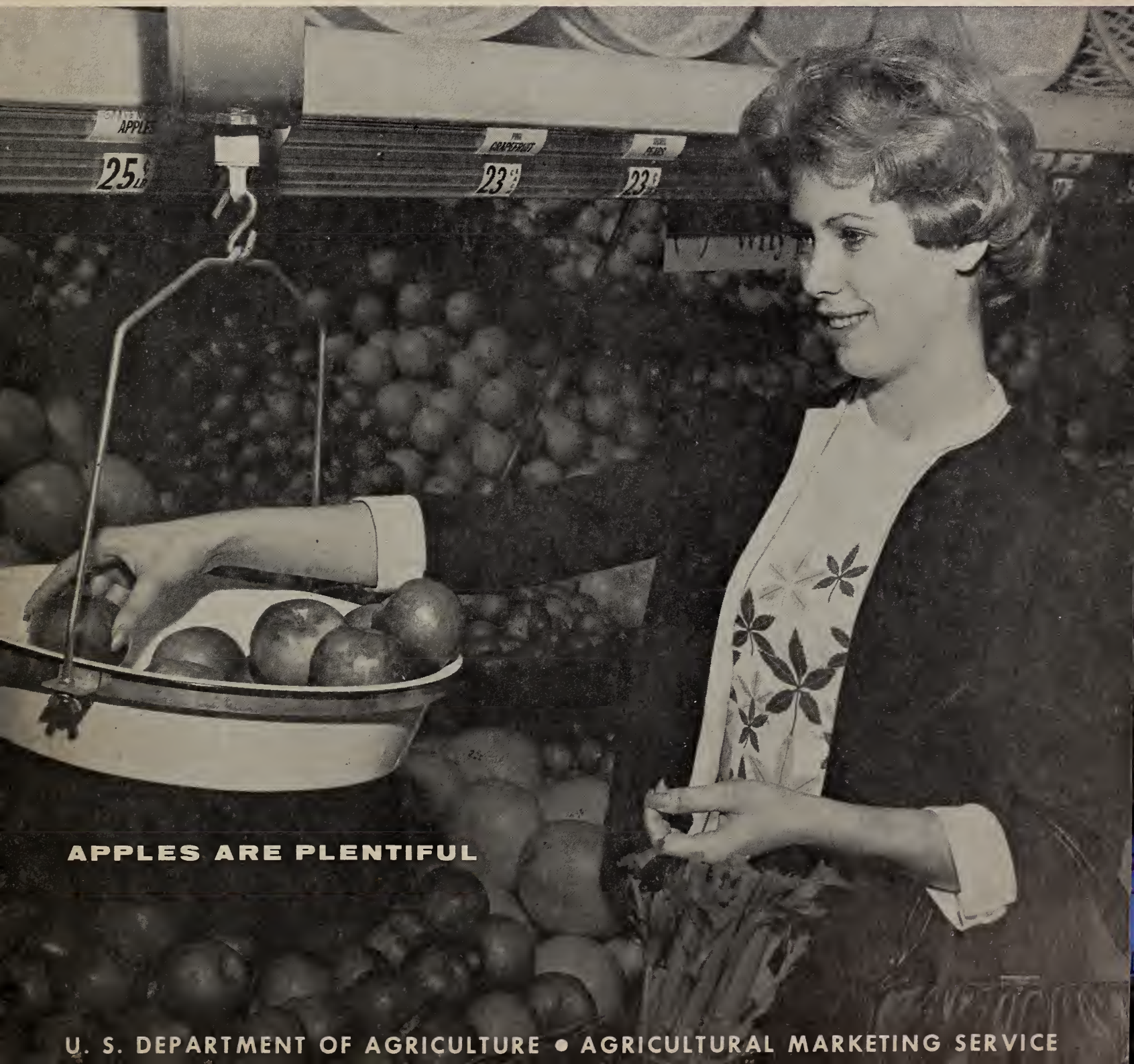
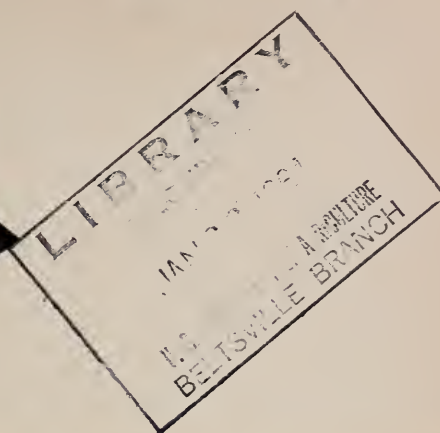
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JANUARY 1964

# agricultural marketing



**APPLES ARE PLENTIFUL**

U. S. DEPARTMENT OF AGRICULTURE • AGRICULTURAL MARKETING SERVICE





Volume 9, Number 1

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*Agricultural Marketing Service*

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## Cover Page

Apples are among the items appearing on AMS' Plentiful Foods List for January (along with canned corn, potatoes, pecans, peanuts and peanut products, and corn). When these items were selected, the stage was thus set for a massive promotion campaign (coordinated by AMS) to tell food retailers and food service industries that these foods need marketing emphasis and to tell consumers that they are good buys. In November the 1963 apple crop was estimated at 123 million bushels. The crop in the State of Washington is expected to total more than 23 million bushels, 27 percent above average, and Washington this year will supply almost one-fourth of the U.S.-grown apples.

In view of the large crop, and of the moderate supplies of competing fruits, apples should continue to be a good buy for consumers throughout the winter months.

*Editor, MILTON HOFFMAN*  
*Assistant Editor, JAMES A. HORTON*

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# Learning To Use USDA Donated Foods

THERE are always big doings at the Navajo Indian Tribal Fair held every fall near Tuba City, Arizona. The famous Navajo band is there in black, red and turquoise regalia, the queen of the fair is chosen and everyone brings wares to barter and sell to the tourists.

But something new was added this year. Over 2,000 people gathered around the "Commodity Food Distribution Booth" to see Mrs. Frances Holly and Mrs. Dorothy Redbird, Arizona Department of Welfare home economists, make soup and cookies using U.S. Department of Agriculture donated foods. Everyone who came to the booth received simplified recipes and some even got a chance to help with a demonstration.

Ladies in the community of the Western Navajo reservation are still asking, "When will the Navajo lady and the white lady be here again to show us other ways to use donated foods?"

Food demonstrations like these are repeated all over the country to show recipients how to make best and most nutritious use of foods, to show them how to add more variety to meals,

and to acquaint them with the uses of unfamiliar products such as rolled wheat and dried milk.

Foods distributed by the Food Distribution Division of USDA's Agricultural Marketing Service for the family donation program include dry beans, cheese, cornmeal, flour, lard, chopped meat, nonfat dry milk, rolled oats, peanut butter, and rice.

At the demonstrations, the women are taught skills which they may continue to use even when they have bettered their standards of living and no longer receive food donations.

With a little cooking know-how the women can combine donated foods with some purchased ones and come up with home-made bread and cake, meat and rice casseroles, egg, cheese and meat casseroles, chili, spaghetti, hash, stew, meat loaf, hamburgers, soups, cereals, custards, and rice puddings.

Federal, State, and local organizations all over the Nation have mobilized personnel and facilities to teach cooking skills by demonstration.

The women attending these demonstrations are members of needy or low-income families who are certified to receive donated foods by their local welfare agencies.

In Ohio, the Cleveland Division of Health and the East End Neighborhood Extension held a month-long baking project for recipients of donated foods. At the end of the program prizes

were given for the winning breads and coffee cakes.

Many States have conducted successful demonstrations right in the distribution centers. High school home economics classes are also good places to teach the use of donated foods, since the girls often help their mothers at home by doing a good share of the cooking.

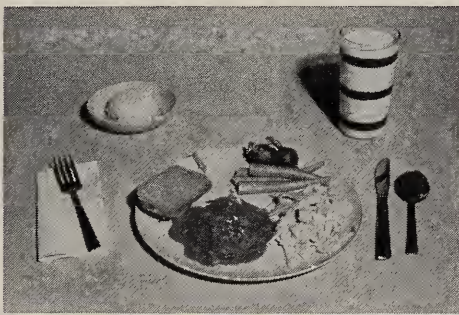
In Baltimore, Maryland, several community organizations have achieved outstanding successes in teaching by holding "demonstration parties" or "house rallies" in housing projects composed largely of families receiving donated foods.

Many women in low-income families go to clinics for medical care, where they often have to wait. Some States have found this waiting period is a good time for food demonstrations and nutrition classes. The teachers are public-health nurses, dietitians, or volunteer homemakers.

Radio stations and newspapers have also helped in the teaching project by preparing special leaflets containing recipes using donated foods. And in Vermont a series of eight educational TV programs on donated foods was greeted with a flood of requests for recipes.

Whatever the methods, the aims are the same: to teach women the cooking skills they need to serve their families the most nutritious, best-tasting and lowest cost meals possible.

*The dinner below—meat-potatoburger, homemade noodles and bread, baked custard, and milk—was prepared from USDA-donated canned ground beef, flour, non-fat dry milk, and lard. This low-cost meal is both nutritious and delicious.*





# Poultry Producers Are Protected Under Packers And Stockyard Act

By James D. Tuggle

FOR more than 40 years, livestock producers have sold their livestock through a marketing system interlaced with protections of the Packers and Stockyards Act against unfair and exploitative business practices.

Yet, for years—unknown to many—this same Act has provided for extensive protection for the poultry producer as well.

This latter coverage did not gain the immediate attention of the poultry industry until the initiation a year ago of a broadscale, fact-finding investigation into poultry marketing by the U.S. Department of Agriculture's Agricultural Marketing Service.

The announcement of this action raised many questions within the industry as to the Act's coverage and its enforcement. To understand the answers to these questions, you must first trace the development of the Act as it applies to the poultry industry.

The Packers and Stockyards Act is not new. It was enacted by Congress in 1921 in response to public demands for corrective action against marketing ills in the livestock and meatpacking industry.

Its primary purpose was to promote free and open competition in the livestock marketing and the meat packing industries, and prevent monopolization of these industries. At the same time, it sought to safeguard producers against receiving less than the true value of their products while assuring consumers that prices charged for meat were derived under competitive conditions.

In directing certain provisions of the Act to the poultry industry, Con-

gress included jurisdiction over the poultry operations of meat packers. These operations were an important part of the poultry marketing system—just as they are today.

In fact, at the time the Act was passed, the major meat packers were the controlling influence in the purchase of live poultry for slaughter, just as they dominated the purchase of livestock. This domination began to diminish in the 1920's and early 30's, as centralized marketing of live poultry began to flourish in the metropolitan centers.

The attention of Congress then became focused on racketeering in the handling of live poultry in certain market centers, particularly in the New York City area. To meet this threat to the poultry marketing system, Congress amended the Act in 1935 by adding Title V.

This amendment contained two major points.

First, it provided for regulation of poultry marketing centers by licensing all persons—other than packers who were already covered—who bought live poultry for slaughter, handled such poultry, or acted as agents for its sale in market areas designated by the Secretary. Areas so designated are New York City, St. Louis, Chicago, Boston, Philadelphia, and Newark.

Second, the amendment went beyond the "immediate" marketing structure to make provisions for future changes in marketing methods. It specified that all dealers and handlers of live poultry operating in interstate commerce out-

side of designated areas were to be subject to the same provisions of the Act as were meat packers. These persons, however, were not required to be licensed.

Immediately after the 1935 amendment, USDA initiated an intensive program in the poultry field, concentrating in the designated areas. However, as centralized poultry marketing faded, these areas experienced a steady decline and have never regained their former importance.

Then came World War II. As the Nation concentrated on the war effort, administration of the Packers and Stockyards Act was limited to top priorities. Supervision of marketing practices in the poultry and meat packing industries received only token attention.

This lack of priority status continued throughout the post-war years and during much of the 1950's. During this same period, poultry marketing was undergoing extensive changes as direct marketing and integration became dominant factors.

In 1958, Congress again amended the Act to meet changing conditions—both in the livestock industry as well as the poultry industry. This amendment had a dual impact on P&S Act work in the poultry field.

First, the amendment greatly expanded the Act's jurisdiction over livestock marketing to virtually all stockyards and to a greatly increased number of market agencies and dealers operating in the country. This mandate from Congress received first priority from the Agricultural Marketing Service.



# ted Act

SECOND, the amendment established S lines of responsibility between the Department of Agriculture and the Federal Trade Commission covering each agency's supervision over the business practices associated with livestock, poultry, and meat marketing.

The amendment transferred to FTC jurisdiction over all products manufactured or prepared by packers, except meats, meat food products, livestock products in unmanufactured form, and poultry or poultry products. It also gave the Commission primary jurisdiction over the retail sales of these products. In addition, the Commission was granted jurisdiction over the marketing of eggs.

The Department of Agriculture in turn was given exclusive jurisdiction in the livestock and live poultry marketing fields. USDA also received primary jurisdiction over business practices associated with the marketing of meat, meat food products, and poultry products by those subject to the Act.

This latter provision includes jurisdiction over the procurement of meat and poultry by food chains subject to the Act as meat packers.

Congress also provided that when either FTC or USDA needs to extend an investigation into the other agency's field, it may do so by advising the other agency of its intentions. This "hot pursuit" clause, as it is termed, is an important tool in the effective administration of the P&S Act.

USDA's expanded responsibilities in the livestock marketing field brought a shift in emphasis from jurisdictional work to supervisory activities in late

1961. By mid-1962, AMS's Packers and Stockyards Division began turning to its responsibilities in the poultry marketing field.

It is important, therefore, that poultrymen know and understand the P&S Act as it applies to their industry. Specifically, the Act prohibits certain business practices by making it unlawful for any live poultry dealer or handler or packer to:

1. Engage in or use any unfair, unjustly discriminatory, or deceptive practice.

2. Make or give any undue or unreasonable preference or advantage to any person or locality, or subject any person or locality to any undue or unreasonable prejudice or disadvantage.

3. Engage in any course of business, or do any act for the purpose or with the effect of manipulating or controlling prices, creating a monopoly, or restraining commerce in the acquisition of, buying, selling, or dealing in any product in commerce.

4. Conspire, combine, agree, or arrange with any other persons to apportion territory for carrying on business, apportion purchases or sales, or manipulate or control prices.

What does this mean to you, the producer?

As an example, a poultry buyer cannot refuse to pay promptly for poultry purchased in interstate commerce.

No false documents—such as sales receipts or scale tickets—can be issued when accounting for purchases.

All accountings must be true and correct.

A buyer cannot make an agreement with another person to control prices, apportion territories, or create a monopoly.

Live poultry dealers, handlers, or meat packers cannot conspire to boycott certain growers, nor agree to give preferred treatment to certain other producers.

These represent just a few of the more serious practices that the Act guards against.

To facilitate enforcement of the Act, live poultry dealers and handlers, as well as meat packers, are required to keep accurate accounts and records that fully and correctly disclose all transactions in their business. In addition, such records must be made available for examination upon request of the Department.

USDA may also require these persons to submit general or special reports upon demand, and furnish testimony in response to a subpoena. These same provisions apply to all persons

subject to the P&S Act.

If an individual should engage in illegal practices, he can be charged by AMS with violating the Act. A public hearing is then held on these charges. If it is shown at the hearing that the individual did violate the Act, USDA's Judicial Officer will order him to "cease and desist" from continuing the practice. Should the individual violate this cease and desist order, he is subject to a fine and/or imprisonment.

Licensees operating in the designated areas may also have their licenses suspended or revoked by the Department, thus bringing to a halt all their operations for a specified period of time.

THE Act does not provide for reparation complaints against live poultry dealers and handlers who operate outside of the designated areas. Under the Act, USDA concentrates on eliminating unfair trade practices wherever they exist in the industry.

The Packers and Stockyards Division of AMS is vitally concerned with insuring that the poultry producer, like the livestock producer, receives fair treatment in a free enterprise market place.

Unfair trade practices in the long run destroy competition and restrain trade. Such practices have never resulted in benefit to the public interest. Rather, they are symbolic of low prices to producers, high prices to consumers, and large profits to those who indulge in unfair trading.

The move to insure that poultrymen's interests are being protected through the Packers and Stockyards Act is well underway. Poultrymen throughout the country should become thoroughly familiar with this Act, for it is the only legal device provided to USDA that affords protection to the producer when he markets his poultry.

Like all other rules of behavior, it is a burden only upon the few who violate its code. It is a great protection for the majority whose practices are above board.

The maintenance of free enterprise and strong competition in livestock marketing over the past 40 years is graphic proof of the benefit of the P&S Act. These same benefits can readily be enjoyed by poultrymen, but only if they take advantage of the Packers and Stockyards Act protections.

*(The author is head of the Poultry Section, Packer Branch, Packers and Stockyards Division, AMS.)*



# Potatoes for Better Quality Chips

By Herbert Findlen

**T**WICE as many potatoes are now used in processed products than were used for this purpose only five years ago. Opportunities for selling in this expanding market would be easier to meet if good quality potatoes for consumption as a fresh product were equally suitable for processing. Such is not always the case, as attested to by potato chip manufacturers, who often experience difficulty in obtaining potatoes that can be processed into desirable light-colored chips.

Farmers are more likely to be able to market potatoes that make attractive, golden colored chips if the crop is planted early and harvested within a few days after the vines are killed. In addition to the desired quality, a greater yield of chips can be obtained when these planting and harvesting practices are followed. These recommendations are the main findings of recent tests made by marketing researchers in the Agricultural Marketing Service of the U.S. Department of Agriculture.

Unattractive—and unsalable—dark chips resulted in most cases when up to 21 days elapsed between the time vines were killed and time of harvest, and also when the potatoes were

planted late. Reduced yields of chips also resulted under these conditions.

Irish Cobbler and Kennebec potatoes were used in the tests, which were made with crops grown in four seasons in the Red River Valley region of Minnesota-North Dakota. The findings would be equally applicable in other regions.

In the region where the tests were made, mid-May is an early planting date, with late plantings made in mid-June. In those tests in which the vines were killed only 1 day after harvest, the chips were lighter-colored than in tests in which the vines had been killed 21 days before harvest, although there were some exceptions. (A rotobeaer was used to kill the plants, and there may have been regrowth which could account for exceptions to the general results.)

Some potatoes were made into chips within 4 days of harvest; others after 4 months in storage and 3 weeks of reconditioning. Results were similar for both newly harvested and stored potatoes, although somewhat darker chips were obtained from those that had been stored. Results were also similar for both varieties of potatoes.

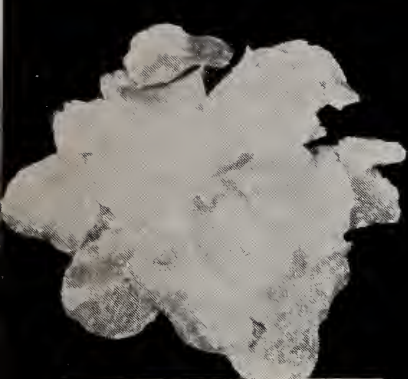
In one case, an early killing-frost

interfered with the tests, resulting in dark chips. The tests also showed that low, but above-freezing temperatures can have undesirable results on chipping quality. When the average soil temperature fell much below the mid-fifties during the week before harvest, chip color would be too dark to be salable. The change in color was a result of an increase in the sugar content of the potatoes.

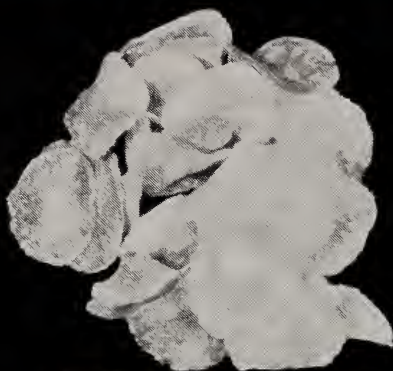
Test results show that farmers can make a rough estimate as to whether their potatoes will make dark or light chips by counting the number of days the soil temperature 5 inches below the surface falls below 50° F. The greater the number of such days, the darker the color of the chips made at harvest time. The researchers were unable to develop a precise guide to use in predicting color on the basis of air or soil temperature because of the effect on color of the planting date and vine killing treatments. However, the temperature "danger-zone" for good chipping quality was confirmed in the tests, and was supported by similar results obtained in independent research conducted by others.

*(The author is a member of the Market Quality Research Division, AMS.)*

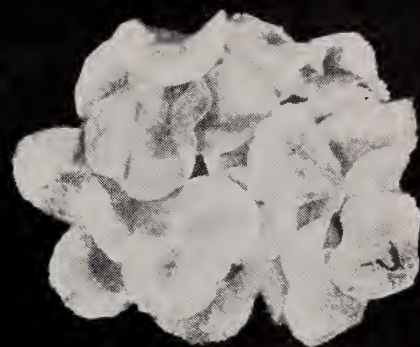




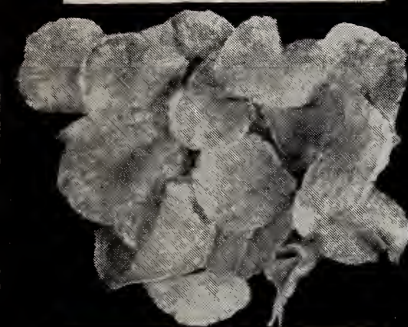
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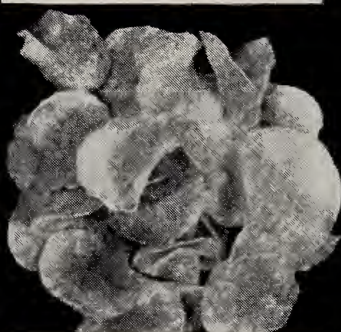
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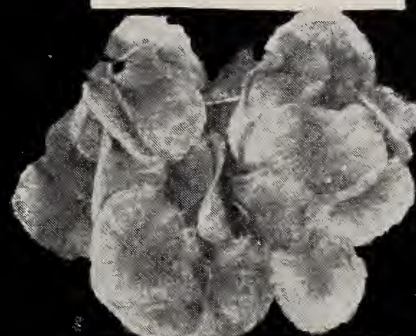
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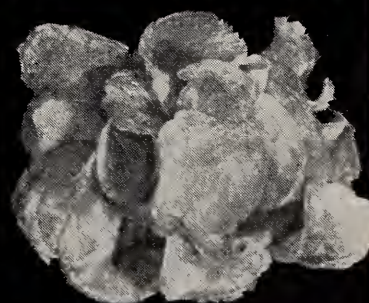
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PLANTED JUNE 22  
HARVESTED OCT. 19

*Different harvest and planting dates account for the range in color of these potato chips. The later the harvest date the darker the chips, as shown from top to bottom. Smaller, but noticeable, differences in color appear from left to right; lighter chips at left are from earlier plantings. All nine groups of chips were made from Irish Cobblers. More*

*attractive chips were obtained when potatoes were harvested a day after the vines were killed. Darker chips resulted when the potatoes were harvested 10 and 21 days, respectively, after the vines were killed. In some cases, early-late harvesting differences appear less important than differences in time between vine killing and harvest.*



OFFICIAL BUSINESS

# Customers Pick Own Cherries Here

By Edmund J. Blaine



*Owners of cherry orchards near Beaumont, Calif., like this one, let customers pick their own cherries, at bargain prices; and the pickers eat all they want, free while picking. Such a system eliminates the need for picking crews and the expense of acquiring containers and hauling fruit to Los Angeles market.*

THE growers in Cherry Valley have found a solution to their marketing problems in the old story of Tom Sawyer—who made whitewashing a fence look like so much fun that his friends begged for the opportunity to help.

These cherry growers near Beaumont, Calif., let their customers pick their own cherries. The amateur pickers get a pleasant ride in the country, a healthful day in the outdoors, and cherries at bargain prices. The growers are able to market their crops with less overhead, and at prices that compare favorably with what they'd get on the wholesale market.

The whole thing started during World War II, when there were no cherry pickers during the harvest season. Since Cherry Valley is only 75 miles from Los Angeles, the Office of Price Administration solved the problem by allowing extra gas coupons to tourists who picked 150 pounds of cherries per car. The response was so enthusiastic that the Cherry Valley growers have been promoting their "U-Pick" orchards ever since.

It isn't just a matter of putting a sign out by the road and waiting for customers, either. The growers—in fact the whole community—work hard to make their marketing approach work.

Much of their efforts go into the

successful promotion of an annual Cherry Festival which helps to attract tourists to the Valley and interest them in cherry picking. The festival committee sends announcements—and complimentary lugs of cherries—to newspapers, magazines, automobile clubs and broadcasting stations in the area, so that people will hear about the Festival.

The tourist can easily find Cherry Valley—signs on all the main highways in the area direct him how to get there. And once in the valley, he has no trouble finding an orchard where he can pick as many cherries as he wants.

He is given a gallon can with a shoulder strap, and directed to a tree he can strip. If the tree is tall enough to need a ladder, that is furnished too. Generally, he is asked to pick a minimum of 25 pounds, and to finish one tree before moving on to the next one. One feature of the U-Pick system that customers like best—they can eat all the cherries they want, free, while they're in the orchard.

The customer-picker pays by the pound. Prices in 1963 ranged from about 30 cents a pound for Bing cherries to 25 cents a pound for other varieties. At the same time, Bings in Los Angeles retail stores were selling between 39 and 79 cents per pound, depending on quality and the type of

outlet where they were sold.

The growers find that the U-Pick system frees them from having to make arrangements for picking crews, and from the expense of acquiring containers and hauling fruit to the Los Angeles wholesale market, as they used to do. Since the pickers take fruit with minor blemishes, they also can sell a higher percentage of their fruit. The Beaumont growers have also found the returns from the U-Pick system steadier than the prices at the Los Angeles market. Demand for the U-Pick cherries has been consistently good. Available information indicates the growers get better returns per pound of fruit sold than most other California cherry-growing regions.

The "U-Pick" system offers a possible opportunity for any grower producing tree fruit or bush crops within easy driving distance of metropolitan areas. Of course, this type of marketing needs to be carefully compared with other marketing alternatives.

The cherry growers of Cherry Valley make it pay off through careful planning, hard work—and just a bit of Tom Sawyer's practical psychology.

*(The author is Marketing Specialist in the Los Angeles Marketing Field Office of AMS's Fruit and Vegetable Division.)*